

**COUNTY OF SAN LUIS OBISPO BOARD OF SUPERVISORS  
AGENDA ITEM TRANSMITTAL**

(1) DEPARTMENT Public Works	(2) MEETING DATE 8/18/2015	(3) CONTACT/PHONE John Waddell, Los Osos Wastewater Project Manager (805) 788-2713	
(4) SUBJECT Request to approve Amendment No. 4 to the Owner-Engineer Agreement with Carollo Engineers for professional engineering services during construction of the Los Osos Water Recycling Facility, in the amount of \$329,303. District 2.			
(5) RECOMMENDED ACTION It is recommended that the Board approve and execute the attached Amendment No. 4 to the Owner-Engineer Agreement with Carollo Engineers, in the amount of \$329,303, increasing the total authorized agreement amount to \$5,140,314, for engineering design services during construction of the Water Recycling Facility.			
(6) FUNDING SOURCE(S) Fund Center 430	(7) CURRENT YEAR FINANCIAL IMPACT \$329,303	(8) ANNUAL FINANCIAL IMPACT N/A	(9) BUDGETED? Yes
(10) AGENDA PLACEMENT <input checked="" type="checkbox"/> Consent <input type="checkbox"/> Presentation <input type="checkbox"/> Hearing (Time Est. ____ ) <input type="checkbox"/> Board Business (Time Est. ____ )			
(11) EXECUTED DOCUMENTS <input type="checkbox"/> Resolutions <input checked="" type="checkbox"/> Contracts <input type="checkbox"/> Ordinances <input type="checkbox"/> N/A			
(12) OUTLINE AGREEMENT REQUISITION NUMBER (OAR) 19001574		(13) BUDGET ADJUSTMENT REQUIRED? BAR ID Number: N/A <input type="checkbox"/> 4/5 Vote Required <input checked="" type="checkbox"/> N/A	
(14) LOCATION MAP N/A	(15) BUSINESS IMPACT STATEMENT? No	(16) AGENDA ITEM HISTORY <input type="checkbox"/> N/A    Date: 1/28/2014, #29	
(17) ADMINISTRATIVE OFFICE REVIEW David E. Grim			
(18) SUPERVISOR DISTRICT(S) District 2			

Reference:        15AUG18-C-4

## County of San Luis Obispo



TO: Board of Supervisors

FROM: Public Works  
John Waddell, Los Osos Wastewater Project Manager

VIA: Dave Flynn, Deputy Director of Public Works

DATE: 8/18/2015

SUBJECT: Request to approve Amendment No. 4 to the Owner-Engineer Agreement with Carollo Engineers for professional engineering services during construction of the Los Osos Water Recycling Facility, in the amount of \$329,303. District 2.

### **RECOMMENDATION**

It is recommended that the Board approve and execute the attached Amendment No. 4 to the Owner-Engineer Agreement with Carollo Engineers, in the amount of \$329,303, increasing the total authorized agreement amount to \$5,140,314, for engineering design services during construction of the Water Recycling Facility.

### **DISCUSSION**

On September 20, 2006, California State Governor Arnold Schwarzenegger signed Assembly Bill 2701 (Blakeslee) which allows the County, at the Board's discretion, to assume responsibility for development of a wastewater project for the community of Los Osos. Since 2006, environmental permits and funding approvals have been obtained, and on March 15, 2011, your Board adopted the Due Diligence resolution to assume responsibility for the project and proceed to project completion.

Construction of the project began in May 2012 and has been in progress since that time. The project includes five construction contracts and implementation of multiple plans and programs that are required to mitigate potential environmental impacts. The two collection system pipeline contracts were the largest portion of the construction, as 49 miles of pipelines and related facilities were installed over the course of two years. The pipeline contracts were completed in September 2014 and the pump stations contract was recently completed in May 2015. The majority of project efforts are now focused on construction of the water recycling facility. Construction of the water recycling facility began in March 2014 and will continue to March 2016, after which time a start-up and commissioning phase will continue for several months. Staff and the community are also planning for the connections of sewer laterals from individual properties, which will begin in early 2016 and continue for approximately one year.

The design for the water recycling facility was prepared by Carollo Engineers under an engineering services agreement approved by your Board on November 6, 2012 and under a subsequent amendment on January 28, 2014. The total authorized agreement is in the amount of \$4,826,599.

The agreement includes scope and budget for Carollo's design team to provided ongoing services during construction. Prior and proposed amendments to the agreement since approval in November 2012 are summarized in the following table.

### **Summary of Amendments to Carollo Engineering Agreement for Water Recycling Facility Design Services**

		<b>Amount</b>
	Original Contract	<b>\$4,596,761</b>
<b>Amendment No.</b>	<b>Revised Scope</b>	
1	Additional Service During Design Phase	\$151,400
2	Revised Billing Rates	\$0
3	Additional Services for Geotechnical and Architectural Construction Phase Support	\$62,850
4	(Proposed) Additional Services During Construction Phase	\$329,303
	<b>Total</b>	<b>\$5,140,314</b>

Note: Amendment Nos. 1-3 utilized the 5% Additional Services Contingency fund authorized in the Agreement.

The design team continues to work with the County's construction manager and contractor to ensure that the numerous project details completed during construction are consistent with the design intent and will result in a quality finished product. The primary scope of work during construction is to prepare any required design modifications and to review, and provide responses to, requests for information (RFI's) and equipment submittals prepared by the contractor.

The design engineering agreement with Carollo was based on estimates regarding the number of design changes and contractor submittals expected to be necessary for the completion of construction. In processing the construction phase reviews to date, Carollo has completed significantly more work than planned while staying within their original budget. Overall, they processed approximately 50% more submittals and design changes than originally estimated. While the level of effort required is now decreasing, additional budget is needed for ongoing engineering services from the design team during the remaining year of construction and facility start-up. The recommended amendment provides budget for continuing work on necessary design modifications and review of contractor submittals in excess of the original estimates in the agreement.

Amendment No. 4 also includes additional scope of work for completing equipment performance testing that is a requirement of the State Department of Public Health for producing tertiary recycled water. Carollo is an industry leader in advanced water treatment and has the technical staff with significant experience to work with Public Health on the start-up of tertiary treatment processes. This type of work is typically completed by the construction management consultant. However, in this case, Carollo's expertise and resources will be able to be used more efficiently than the construction manager's, which will provide a benefit for the project.

The additional project costs for the recommended amendment were not planned, but are within the contingency amount of the project budget. Additionally, the project cost impacts are offset by an unrelated amendment that was recently agreed to for HDR Engineering's agreement for construction management of the project collection system. The HDR amendment has reduced their planned costs by \$550,000. This reduction is due to a substantial decrease in costs for administering the collection

system contracts over the last 18 months. The remaining budget in the HDR agreement still has adequate funds for project close-out work, including litigation support. The following table highlights the changes to the attached Exhibit "A" which will result from the Carollo and HDR agreement amendments.

**Changes to Exhibit "A" – Project Costs To Date**

<b>Line</b>	<b>Item Description</b>	<b>Prior Budget</b>	<b>Amendment Amount</b>	<b>Revised Budget</b>
32	HDR Engineering (Collection System Construction Management)	\$9,732,274	-\$550,000	\$9,182,274
40	Carollo Engineers (Water Recycling Facility Final Design)	\$4,811,011	\$329,303	\$5,140,314
40	Contingency	\$15,588	-\$15,588	\$0
	<b>Net Budget Impact</b>	<b>\$14,558,873</b>	<b>-\$236,285</b>	<b>\$14,322,588</b>

**OTHER AGENCY INVOLVEMENT/IMPACT**

County Counsel is providing legal guidance on all aspects of the Project and has approved the attached amendment as to form and effect. The U.S. Department of Agriculture (USDA) and State Water Board are jointly financing the Project and provide oversight of engineering and consulting agreements. Numerous other County departments and local agencies are involved in other Project related efforts.

**FINANCIAL CONSIDERATIONS**

The recommended amendment is for services necessary for the completion of the project. The amendment amount is offset by other project savings and the net cost is included in the Project budget, which was approved by your Board on May 17, 2011.

**RESULTS**

Approval of the recommended action will provide necessary engineering services, which continue the progress toward a community wastewater project and water recycling facilities for Los Osos. Completion of the Project will contribute to the County's goals of promoting safe, healthy and livable communities.

File: Los Osos WWP 300448.00.1.4

Reference: 15AUG18-C-4

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**ATTACHMENTS**

1. Exhibit A – Project Cost to Date
2. Amendment to Owner-Engineer Agreement Amendment No. 4